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SOVIET HOUSING DRIVE--THE FIRST THREE YEARS

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SOVIET HOUSING DRIVE--THE FIRST THREE YEARS

The first stage of the Soviet housing drive started in 1957 has come to a conclusion with a slight overfulfillment of the construction target for 1957 to 1960. The State goal was fulfilled by 106 percent and the private goal by a very creditable 95 percent. This success was tarnished, however, by the poor record in 1960 when new housing fell short of the goal by about 10 percent. Most or all of the 1960 shortfall occurred in the private sector, where a very ambitious goal was underfulfilled by about 20 percent. Advances in the state sector continued but were slowed by problems in making a rapid transition to new construction methods.

Urban Housing Construction in the USSR
1957-1960

(Millions of square meters)

<u>Year</u>	<u>Total</u>		<u>State and Cooperative</u>		<u>Private</u>	
	<u>Plan a/</u>	<u>Actual b/</u>	<u>Plan a/</u>	<u>Actual b/</u>	<u>Plan a/</u>	<u>Actual b/</u>
1957	47.5	52.0	34.0	38.5	13.0	13.5
1958	61.0	71.2	42.0	46.7	19.0	24.5
1959	80.0	80.4	51.0	53.8	29.0	26.6
1960	101.0	92.2	60.0	60.0 c/	41.0	32.2 c/
1957-60	289.5	295.8	187.0	199.0	102.0	96.8

a. 1/

b. For 1957-59 2/; for 1960 3/

c. Approximate; data not yet available.

The erratic trend of private housing has been influenced largely by fluctuations in governmental attitudes towards private construction. In 1958, when the government strongly supported and encouraged private builders, the volume of such construction nearly doubled and exceeded the plan by about 30 percent. That the regime had doubts about the ultimate wisdom of such a policy were apparent in 1959. Early in 1960 Khrushchev publically condemned the "psychology of private housing." In 1959 private housing construction increased modestly, but the goal was underfulfilled. The peak of private housing was scheduled for 1960, when such construction was to rise by 54 percent and to comprise more than 40 percent of total urban housing construction. Government support for private construction appeared to be lacking in the early part of 1960, however, and in September specific opposition to private housing was expressed in the Soviet press. In October it was inconspicuously announced that State loans--usually relied on by about half of the private builders--would no longer be given. In the light of these developments, the 20 percent shortfall of private housing in 1960 was no surprise. 4/

The trend for state construction in 1957-1960 was much steadier, a reflection of better planning and closer supervision of the program. In the first three years state builders substantially overfulfilled the housing plans as the government kept its commitment to a high priority for housing. In 1960 some difficulties were encountered in increasing the construction of houses by the large-panel method. This method, based on the erection of story high panels of precast concrete, is intended to be the major type of state housing construction by 1964. Despite abundant attention to this development, only half of the planned 4 million square meters of large-panel housing was built in 1959 and 1960. 5/

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The questions concerning housing during the remainder of the Seven-Year Plan are: Will the Soviets be able to raise the share of large-panel construction to 57 percent of state housing in 1964 and 63 percent in 1965, in the light of the status of such construction in 1959 and 1960 when less than 2 percent of state construction was built by this method? If the large-panel method should prove unsatisfactory, could the gap be made up by the use of conventional methods, such as brick construction and would the regime be willing to bear the substantially higher costs involved in a reversion to conventional methods of construction? As to private housing in 1961-1965, there appears to be one basic question--what will be the attitude of the government? If the government maintains its policy of discontinuing loans for private construction, will there be enough private builders with their own funds to account for 34 percent of the urban housing in 1961 to 1965, as called for in the Seven-Year Plan?

The answer to these questions is suggested by the long-term goal of the USSR and the very low level of housing in that country. Having vowed to eliminate the housing shortage before 1970, the Soviets leaders would probably be inclined to continue their recent efforts to improve the housing situation rapidly. A goad to such efforts is present in the feelings of the people, who identified housing as their number one problem in a recent Soviet public opinion poll. With the substantial increase planned in the manufacture of building materials during the next five years, and the apparent absence of heavy claims on resources for higher priority construction, there is a good potential for substantially overfulfilling the housing goals during the next five years.

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